

Advertising to LGBTQ+

Case company: H&M

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Abstract

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Abstract

This thesis serves as a reminder to major companies that the LGBT community is one of the main catalysts for the economy and also has a great consumer capacity. This segment is more loyal to the brand, thus increasing its value and significance. The targeted advertising for the LGBT community and the inclusion of their lifestyle in the provision of product image is a very important aspect of global companies' existence, albeit complex. Involving minorities in an advertising strategy requires careful consideration and analysis, which is explained in the work. The outcome of such a marketing move can be both a phenomenal success and an absolute failure of the company. Today's population is implementing and using all possible resources to increase the visibility of LGBT people and to normalize this phenomenon in society. H&M operates worldwide, has a huge customer base, and thus has a significant impact on the structure and way of society.

The Qualitative research method was used to accomplish this research. Numerous theoretical studies on Targeted Marketing, Segmentation and Advertising have been analysed and studied in order to fully comprehend the topic. The empirical part of the thesis is based on obtaining knowledge from numerous articles, analyses and reports on the chosen topic.

The key conclusion of the paper is to prove the importance of involving the LGBT community in both the advertising process and product representation.

Keywords

LGBTQ+, Segmentation, Advertising, Targeting, H&M

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1 Introduction

1.1 Research Background

Over a long period of time, the targeting group in the name of the LGBTQ+ community has been the last authority to which attention was focused. LGBTQ+ acronym stands for Lesbians, Gays, Bisexuals, Transgender, Queer or Questioning and plus represents all of the other identities (Cherry 2020). In terms of marketing and product advertising, companies overwhelmingly avoided the involvement of LGBTQ+ people. The reason for such engagement was a high concentration of people with a conservative way of thinking and life in general (Coffin et al. 2019). Until the second decade of the twenty-first century, advertising, which showed the differentiation of people in the form of the diversity of sexual preferences, could cause a strong resonance among consumers. The demand for the company's products could have declined. The possibility of this risk and pressure from a conservative society prevented companies from openly integrating LGBTQ+ people into their advertising (Branchik 2002).

Despite the precarious situation, companies understood that the LGBTQ+ community was an essential part of the consumer groups. Advertising is based on people with different backgrounds and is aimed at people of different identities, whether sexual or not. People do advertisements for other people. The same consumers as the advertisers and marketers themselves. That is why professionals understand that being oriented at people's interests is an important part of the process. The ad will resonate if consumers can find their way of life in terms of product promotion. Companies realize the fact that ethical representation of the diversity of people is not only an important element but also a highly profitable business strategy. According to Forbes reports, the worldwide LGBTQ+ community has around five trillion dollars as purchasing power (Forbes 2019). Purchasing power is the value of money considers as the number of goods it has the ability to buy (Cambridge Dictionary). Such a is the phenomenon also called The Pink dollar. Referring to the Cambridge Dictionary, the pink dollar is the money that all gay people together have the ability to spend. Such a phenomenon increased at the beginning of twenty-first century. In fact, almost half of LGBTQ+ community members define themselves as active consumers, that is, those who spend a lot of money on various goods (WSJ 2019).

In order not to irritate or put the "traditional" target group at risk, companies began to slightly introduce symbols into advertising that would be understandable only to a member of the LGBTQ+ community. This technique was called "gay window advertising" (Bronski 1984). This strategy for advertising is one of the earliest and most fundamental in its use. The gay

targeting strategy is built with filigree caution so that no visible signs of the gay community are displayed. Advertising with such a technique provides a picture of people of the same sex. The boundaries of these ads are that actors should look more like people of straight sexual orientation. The purpose of this technique is to make the audience of straight sexual identity read the images as if a picture of friends or colleagues were presented. In turn, the gay community considers this advertising to be a representation of a gay couple. Such a strategy is used to keep the company in the golden middle of its existence. Without insulting the feelings of the gay community or making a conservative society mad. The audience of the gay community experiences this type of advertising. As the process of decrypting characters that are intended only for them takes place. The brain also relies on the development of imagination. The LGBTQ+ community reveals the meaning of sign language or the articulation that is characteristic of the community, thus revealing the deeper meaning of advertising. In contrast to a heterosexual audience. On this basis, experts have found that consumers are more satisfied and feel that they belong to the product. Due to this, a unique consumer experience is built up (Ritson&Eliot 1999). Based on the above, the gay window technique works to attract LGBTQ+ audiences to recognize their legitimacy.

The consequence of such actions and the situation in the world is the lack of literature on LGBTQ+ marketing at those times. Marketing attention to the LGBTQ+ segment started to be paid by companies only in the 70s of the last century. As a decade earlier homosexuality was considered a disease and theory was subject to many discussions. Nevertheless, advertisers evaluated the economic value of LGBTQ+. Despite the above, advertising with hints of sexual minorities was limited in circulation and there was no direct targeted advertising. In the 80s, the path of advertising to LGBTQ+ community members began to gain momentum. Several companies in America produced advertisements that were targeted directly at LGBTQ+ people, and advertisements were used in specialized publications. In the last decade of the previous century, companies labeled LGBTQ+ as a "high-end niche market," which in turn led to gay advertising (Kates 1999). If geographic location is taken into account, by 2004 35% of large organizations paid attention to LGBTQ+ consumers (Commercial Closet Association 2010). The increase in the number of companies that create and direct marketing strategies toward sexual minorities relies on equalizing the civil rights of the LGBTQ+ community (Branchik 2002). Regardless, the picture and message that was sent referred to gay and lesbian, but not transgender and other LGBTQ+ community members.

The first companies to introduce such integration into advertising were tobacco and alcohol producers. Conservative societies were mostly religious, and these products were considered a sin. Consequently, they had almost nothing to lose. It is fair to assume that this was

intentionally done (Branchik 2002). The main resonance is that in the United States, such an action was illegal until 1958. That illustrates the risk that companies were taking for the sake of people.

Nowadays, the uniqueness in the advertisement, especially in a Pride time, is quite high and having the ongoing growth. LGBTQ+ inclusive advertisement campaigns at first glance seem omnipresent. Since a lot of international organizations are in cooperation with LGBTQ+ communes, embracing such a minority as a part of targeted marketing is huge global progress. As mentioned earlier, the first companies in this movement were producers of «sinful» goods, mainly for religious reasons. Nowadays, there are different times and values. Relying on the statement of Cornell University Professor of Communications Catherine Sender, who is the author of the book "Business, Not Politics: The Making of the Gay Market " which was published in 2010. A religious boycott of such companies would not have caused much of a negative impact. The professor's idea was that nowadays a boycott from a gay community would do much more harm to companies than a boycott from a religious part of society (Branchik 2002).

While LGBTQ+ communities are becoming increasingly recognizable in both marketing and advertising circles, companies were still concerned about conveying their support and uniformity. Despite the fact that at that time such big companies as Ikea, Subaru and etc. had launched open ads. Which, in turn, represented a fundamental shift in the history of LGBTQ+ integration into advertising. In other words, companies were reluctant to get a public label on their product as a "gay product"(Coffin & Nolke 2019).

Such a thesis is intended to highlight how essential the integration and uniformization of LGBTQ+ advertising is. For organizations that work on an international level or have such an agenda, rebranding and revised values based on a common targeting group is important in which the LGBTQ+ community belongs. Currently, the problem of dividing people finds a huge resonance, a feedback. In case a company refuses to involve the LGBTQ+ community in product promotion. The organization can be accused of homophobia, transphobia and not adhering to human rights. These circumstances will block all the opportunities for the company to exist in the modern market. Carrying out the analysis of the presence of thesis on such phenomenon, the author did not find an exact matching. The previous studies content is focused on the side of the consumer and not a company. The most reliable studies are:

- "How Pink Are You? Creating Awareness of the Gay Market" by Inez Orlik which is done at Central Ostrobothnia University of Applied Sciences in 2012. The objective of such thesis was to draw attention to LGBTQ+ marketing niche.

- “Brand Positioning an LGBT+ Event Planning Company” by Kim Studentski, which is done at Laurea University of Applied Sciences in 2020. The aim of such thesis was to create the brand positioning identity of an abstract company that have specialization in LGBTQ+ customers.

Neither of these studies focuses on the advertising process for the LGBTQ+ community and the reasons why it is necessary for the company.

1.2 Objectives

The main focus of this thesis is to study advertising for the LGBTQ+ community from the company's perspective. The goal is to show how H&M is advertising in order to reach specific segment and why.

Under consideration will be the factors that have influenced the more open expression of support of specific minority by numerous companies. The core of this research is narrowed to explain such phenomena as segmentation, targeting marketing and advertising. The rationale will ultimately be implemented through a lens of integration, engaging and approaching LGBTQ+ members, and a focus on the LGBTQ+ community. Despite the main objective, which was explained above, there are couple more sub-focused accompanying goals:

- Define the approach that are used by H&M to reach LGBTQ+ community by advertisement;
- Explain segmentation, targeting and advertising characteristics of H&M;
- Detect and explain reasons for such phenome and tendency which is spreading fast in marketing world.

1.3 Delimitations

This thesis is presented from the company's perspective on the phenomenon of advertising for the LGBTQ+ community. The case company will be H&M as it is a global distributor and manufacturer of clothing for each individual. The company is a notable example in the adoption and normalization of minorities, as the main principle of the company is " affordable fashion for everyone ". H&M is a member of the British LGBTQ+ Awards 2019. Such award is creating a top list which includes organizations that in some way made a great impact and openly supports LGBTQ+ community in their advertising and produce distinctive products during the Pride.

Considering the theoretical aspect, such concepts as Segmentation, Target Marketing and Advertising will be considered. These concepts fully cover the company's advertising process and which operations precede the final product. Each company, which intends to reach a certain audience with a certain message, first goes through the Market Segmentation process, then through Target Marketing and summarizing the knowledge and analysis of the previous steps, creates and broadcasts the advertisement. Various tools and resources of the advertising providers will be taken into account and analysed such as commercials on television and in social networks.

1.4 Research questions

Each analysis must be structured and justified. Details are an essential part of a significant study. A more comprehensive study result can only be adequately structured and complete if it is built on a clearly defined main question. In order to answer the main question, there should always be one or more sub questions, which will provide more extensive and focused disclosure of the phenomenon.

- How companies are advertising to LGBTQ+?

The key answer to this question is a symbiosis of knowledge obtained from theoretical and empirical information based on the case company H&M. In order to reveal and support the main question, the following subsidiary question will be listed below:

- Why companies are advertising to LGBTQ+?

1.5 Theoretical framework

Each research project requires a structured theoretical approach. A good data base is needed for an effective outcome.

1.6 Theory design

Theoretical design is a set of elements that will be affected or revealed in the work. Taking into account the breadth of the topic and the limitations posed by the author. Choosing to consider the implementation of community advertising from a corporate point of view.

It is necessary to note that the theoretical part includes such concepts as segmentation, target marketing and advertising itself. These concepts are clarified as theoretical definitions and represent their impact on LGBTQ+ phenomenon. Referring to the main point of the study, that is advertising.

1.7 Literature review

The history of marketing to LGBTQ+, which is included in research background, will be based on working paper by Branchik “Out in the Market: a History of the Gay Market Segment in the United States” published in 2002 and Tom McNamara and Irena Descubes “Targeted marketing to the Lesbian, Gay, Bisexuals and Transgenders (LGBT)” which was written in France for the ESC Rennes School of business in 2016.

Talking about marketing, market segmentation and targeting the most convenient choice is book by mark Anthony Camilleri, the author is a PhD in Edinburgh and the work is modern, since 2018 is a publishing year. The name of the work “Travel Marketing, Tourism Economics and the Airline Product” is not referring to chosen phenomena, therefore it is needed to take into account only 4th chapter which is called “Market Segmentation, Targeting and Positioning”. Moreover, the author will refer to “The Big Book of Marketing” by Anthony G. Bennett.

To justify chosen research methods, the work of Shoshanna Sofaer “Methodology Matters: Qualitative research methods” which is published by International Journal for Quality in Health Care in 2002. The second paper that will cover second research method – secondary data research is “Secondary Data in Research – Uses and Opportunities” by Martins, F., da Cunha, J., & Serra, F. (2018). Published in Iberoamerican Journal of Strategic Management

Furthermore, there are more articles to fulfill the theoretical part:

- Coffin, J., Eichert, C. A., & Nolke, A. I. 2019. Towards (and beyond) LGBT+Q+ studies in marketing and consumer research,
- Baxter, S. C. 2010. Evidence on the marketing approaches targeting gay and lesbian consumers.

1.8 Research method

Every study is based on research method, in case of becoming a valuable source of information as an outcome. Defining the research method for this particular work is needed in case of determining clear data. Based on the need the decision was made to take Qualitative Research method.

1.8.1 Qualitative research

Essential method for this thesis is qualitative research method. Qualitative research method is focused on generalized, structured and open-ended questions in order to provide constructive meaning for identified phenomena. Collection, sorting and analysing data mostly comes from interviews and interracial communications. The author is narrowing the data to transform into manageable significance statements and broader meaning units (Creswell 2018). The reason behind choosing exact methodology is a need to collect practical knowledge. The information was collected from various existing publications. The list includes company reports, company business analyses, books and articles on the LGBTQ+ community and their buying behaviour.

Most of the Empirical research is written on the basis of knowledge obtained and processed from existing resources. Empirical research is based on the analysis and comparison of information about the company and their actions. After reviewing and studying a multitude of data, the author was able to analyse the company's advertising process and its effectiveness, the result of which is described in detail in the Empirical research chapter. Besides, analysis of customers' attitude towards the company's advertising activity through Twitter and published articles that are publicly available was performed. Thus, the knowledge made it possible to track the tendency of the buyers' attitude towards a particular company, whether the support and advertising of the company in the direction of the LGBTQ+ community affects the consumers' purchasing power and their flow.

1.9 Company

The company is selected based on its activities towards the LGBTQ+ community. Every year the British LGBTQ+ Awards are held, which also reward international companies that have paid the most attention and focus on the LGBTQ+ community.

The British LGBTQ+ award started its existence in 2014 and celebrated its first ceremony in 2015. The purpose is to raise awareness and create a so-called "role model" for those organizations that work diligently and continuously to meet the needs of the LGBTQ+ community. The award brand has a worldwide recognizability and a strong reputation, especially in the LGBTQ+ area. The main purpose of which is to improve the quality of life of LGBTQ+ people. The award is a vehicle to aid in achieving this goal. According to the founders, corporate companies that work towards improvement and equality play a very important role in "investing" in LGBTQ+ integration and community unification. The judicial process is independent and transparent. To be eligible in corporate categories, independent experts are appointed. The award organizers do not participate in the selection process to avoid

bias. Voting is structured and decisions are not subject to appeal (The British LGBTQ+ Award).

Among the top ten winners in the category "Brand and Marketing Company 2019" the author singled out H&M company. H&M Company started its way in 1947. Company founder Erling Persson opened the first store in Sweden in Västerås. The goods of the store were focused only on women and was called "Hennes" store. The network of stores has increased over time, the first step towards the world market was the opening in Norway in 1964. The familiar name "H&M" company will come later, but in 1968 the organization was renamed "Hennes & Mauritz" because of the acquisition of a hunting store in Stockholm, which was called "Mauritz Widforss ". The hunting store also sold men's clothing, which gave rise to the men's and children's clothing line in the company. Since 1974, the company became profitable and began to be listed on the Stockholm Stock Exchange. The next stage of internationalization was the opening of stores in England, Germany, Finland, Belgium, Austria and France. This expansion lasted until 1999. The new century the company celebrated the expansion of the market in Spain and the United States, also opened more stores throughout Europe. The company is known for its collaborations with various designers and Influencers, the first among them was Karl Lagerfeld in 2004. The company has also included in the list of its activity's online stores, which began to operate in 2006 in Europe. At the same time, they opened their franchise. In Asia, the company expanded in 2007 and patented itself as a non-core global fund (The H&M Group). H&M turned into H&M Group, which included many brands.

This thesis focuses on only one brand of the H&M Group - H&M. The company operates and has distributors all over the world. The customer base is one of the largest among international companies operating in the same field as H&M. The Company is a prime example of doing business in a global marketplace with an inclusive customer base and the use of resources to reach the minority market.

2 Market Segmentation

A group of persons or entities having similar and common interests, needs and characteristics form a market segment. Such segments generally have identical or similar needs, goals and desires (Camilleri 2018). Of course, similar expectations are also included in this list. It is essential for companies to understand which market segments they want to cover and serve. To solve this problem, companies need to conduct a process of analyzing a more appropriate way to differentiate between the selected segments. An analysis of market segments and service options that are appropriate for a group of individuals will help set up a company's capabilities to achieve its goal (Camilleri 2018).

Meanwhile, market segmentation is the actual process of analyzing and defining market parts and dividing the entire customer base into smaller groups of consumers. In other words, subgroups of customers, which consist of future prospective and existing consumers. The segmentation process is aimed at the consumer. The range of segmentation application is quite wide, it can be applied to almost all types of market. For successful market segmentation, companies have a department of specialists that perform analysis and as a result determine the general characteristics. As the author mentioned earlier, general characteristics include interests, expectations, preferences and even lifestyle. For the chosen phenomenon, specialists focus on the lifestyle, interests and preferences of LGBT+ community (Bennett 2010).

All these dispatches lead to the fact that segmentation of the market carries the essence that different segments require different marketing programs. This conclusion is based on the fact that consumers of different segments are aimed at various product proposals. Each consumer group has its own different objectives for the offered products or services. For a complete contact between a company and a segment it is necessary to use different combinations of marketing variables. By focusing the company on certain segments, it is possible to implement a full analysis. Which, in turn, helps to determine the values of the target market segment. Targeted orientation on a certain market segment is also a competitive advantage. As potential competitors will be confused by numerous requests from clients of all groups, the chosen company can focus on only one group and achieve success (Oriaola).

The main aspect in market segmentation is the result. After the company's specialists determine the groups, the company should competently choose the target segment. In other words, on which client group the company should focus its advertising and the product itself. Potential or already encompassed consumers are looking for a variety of things in the products. One segment is looking for high-quality on-time service, while others may look for a

more loyal pricing policy. Speaking about the niche of the selected phenomenon, the target segment of the company will be members of the LGBTQ+ community. This segment is sensitive to the company's policy towards minorities. If a company whose products the consumer wanted to buy promotes homophobic or any other views that at least infringe on people's rights and freedoms. The potential consumer will refuse these products and never again become a customer of a company (Forbes 2018).

The resources that the company is able to spend on competent and quality customer service is one of the main factors. Since not all companies have the ability to provide adequate service to the selected segments. If a company does not perform market segmentation analysis and shifts all efforts to an attempt to cover the entire market, then in most cases such a choice ends in the failure of the entire product line. As a last resort, it leads to high growth of the company's debts and credits and possible bankruptcy. Market segmentation is used to identify those client groups that will bring more profit to the company. The choice also falls on segments with potential for rapid client growth. Such segments are the company's target market (Suttle 2017).

Client needs may be more staggered only through market segmentation. This is a certain tool for obtaining information about the core of client requests. Professionally segmentation of the market allows a company to select a more detailed and accurate market performance. The demands of the segment the company focuses on allow the organization to adapt the developed marketing strategy. To meet the most latent and individual needs. In turn, customer requirements are always in constant growth and competent segmentation allows tracking this transition. Moreover, the adaptation of such process allows organizations to expand their market and opportunities for promotion in this area. Thus, increasing the competitive advantage, as segmentation on the background of its main task allows to analyze and identify the strengths and weaknesses of competitors. By analyzing and possessing data about competitors' weak points, the company has an opportunity to close vulnerable niches with its successful marketing activity.

Marketing resources should be used effectively. The process of segmentation of the client base allows a company to adapt a competent stepwise approach for long-term planning. Due to this, an organized marketing program is developed and implemented. This process means the effective use of marketing resources. Marketing activity is expressed in involvement and introduction of advertising marketing communications. Such way of achieving the client segment is more universal. To reach individuals within the client base, companies use targeted advertising and promotions. Targeted advertising is based on sensory analytics, Customer Location, and various social data. In the modern world, marketers have the ability

to even track the customer's location and movements (Schegg & Stangl 2017). On the subject of the LGBTQ+ phenomenon, companies track their social life. To a greater extent, social networks are a potential client base. Since this information provides almost complete access to personalized interests of the selected segment.

2.1 Segmentation type

Through the analytical part of segmentation, which is to identify the segment and determine its advantages. The following stage in achieving the company's goal is to determine precisely how the organization shall segment any market. Currently, there exist five basic variables of the segmentation process. Among these are: Demographic, Psychographic, Factors related to products and geographical (Camilleri 2018). The author will focus only on demographic segmentation for the selected phenomenon. Since this particular method is used by companies to reach customers belonging to the LGBTQ+ community.

2.1.1 Demographic segmentation

Such type of segmentation is a direct division of the market into fractions. The fractions, in turn, are identified by their actual or physical characteristics. Demographic segmentation involves the division of a potential customer base into gender, age, occupation, wealth, ethnicity, religion or sexual orientation. The method of segmentation is more frequently used by companies. Reason for this is simple measurement and analysis. The data in this form of segmentation is easily accessible, the company does not need to spend a significant amount of resources on analysis. Moreover, Demographic segmentation is more conducive to recognition and brand loyalty on the part of the consumer.

2.2 Steps for Effective segmentation

In order to achieve an efficient division of the market, companies must assess whether their fragmentation strategy has certain characteristics. Availability of such characteristics depends on the succeed ability of the market segmentation strategy. Proceeding from the fact a number of segmentation methods exist, there are always certain segments that will not bring success to the company. Such segments are not effective. To prevent a poorly performing company from such an outcome, an organization shall choose the segmentation method that has the following characteristics (The Big Book of Marketing 2010).

2.2.1 Actionability

The primary goal of segmentation is to fully engage the client base and focus on their needs. Such criterion of segmentation efficiency is to determine the degree of attraction of a focused target group through an efficient program. The processing of such programs serves as the basis for building the level of attraction and maintenance of the target audience. Such a tool is used to prevent the difference in company resources and customer expectations. For example, if a company can define its target segment of operation, such criterion determines whether human and financial capabilities of the organization allow it to provide full coverage of this segment. The mentioned work is performed for adequate development of certain marketing programs (Bianco 2012).

2.2.2 Sustainability

The above factor determines the profitability of the target segment. Depending on the capabilities of the segment and the profit that the company will receive, the possibility of developing narrower marketing programs hinges on it. Such programs may be called individual ones. Company through the stability analysis of segments determines which of the list is more profitable and has a large number of channels for development opportunities. The organization is focused on such segments (Camilleri 2018).

2.2.3 Measurability

The key factor of such a criterion is the ability to determine and, most importantly, measure the size of a target group, the capabilities and characteristics of the selected segment (Camilleri 2018).

2.2.4 Accessibility

The ability to reach the selected segment is an essential component of effective segmentation. In order to improve the company's performance, target segments must receive a high standard of service and visibility. Hence, a thorough analysis of segment members should be conducted. The criterion for such analysis should be the availability of the expected beneficiary to achieve the product. Meaning that if the selected segment has no opportunity to be informed about the product or to reach it, such segment will not be profitable. Resources to promote the product will be spent, without high efficiency (Bennett 2010).

3 Target Marketing

Following segmentation, the company determines the needs and preferences of the segments on which it will target its production. Analysis of those needs which are not covered by the market is important. Such analysis provides an opportunity for competitive advantage. Competitors do not possess sufficient resources to perform quality maintenance of open Gestalt. Evaluation of segment requirements allows to correctly estimate the resources that a company can allocate to cover these needs and determine an average profit that would be generated thereby. Designating the lucrative segments of consumers, a company is able to decide which segments will be maintained. Thus, the size of the market coverage will be chosen. Market capture has three alternatives: differentiated, undifferentiated and concentrated marketing (Bronski 1984). According to such case study, Differentiated and Undifferentiated Marketing models are needed.

In order to choose the type of marketing activity, it is necessary to define some factors that characterize the company's objectives:

- The type of service that the company wants to promote and offer to potential consumers.
- Competitive component in the operated market. The company must clearly define what variety of similar or identical products or services are available on the market. Analysis of customer requirements is a determining factor in this factor of analysis.
- Strategy. The introduction of products and market coverage of competitors requires a step-by-step, effective strategy. The strategy is fully dependent on the segmentation method. According to the author, if competitors succeed in segmentation, the choice of undifferentiated marketing will not be effective.
- The key factor is the company's resources that can be used. The company should define the limits of possible resources. For companies with disabilities, it would be more appropriate to follow the Concentrated type of marketing.

3.1 Differentiated Marketing

The core of such marketing is orientation on several segments. Focusing on several segments is to develop and introduce an individual service and product offer. One of the important factors of Differentiated Marketing is the development of several marketing plans. A plan for each focus segment. Therefore, in order to achieve full coverage of all the necessary requirements of the selected segment, a company must conduct a detailed market

analysis. Differentiated marketing requires more costs due to thorough market research. Contrary to undifferentiated. According to the above, it is essential for companies to define critical marketing operations and the range of services required for the targeted segment. For such process a company has its professionals, marketing managers. Managers are responsible for calculating and determining the significance of the margin during the implementation of the Differentiated type of marketing (Bianco 2012).

3.2 Undifferentiated Marketing

Such type of marketing takes into account all existing and potential customers and considers them as one segment, thus, in mass. This type of marketing does not imply additional consumption of resources for the analysis of smaller segments and the development of various strategies to achieve consumers. Undifferentiated marketing develops one marketing strategy to cover the entire marketing. This is Marketing Equality, as companies consider each segment equally, and uses a single common approach to each type of consumer to attract more people (Bennett 2010).

4 Advertising

4.1 Process of Advertising

Advertising is a tool for transmitting and engaging data to potential customers. The main component of advertising is the representation of the company's products or the organization itself in its best manifestations. Advertising is one of the main levers of influence on potential client base. In order for companies to achieve efficiency in launching new products on the market, increase and promote sales, increase demand or achieve the desired target group, companies use advertising. Commercials, in turn, consist of activities to engage and provide the audience with a specific message. The message may not be personal, paid by the sponsor. Regarding the advertised organization, product or service. Advertising is an any paid form of non-personal presentation of ideas, goods and services by an identified sponsor (American Marketing Association).

Advertising is an extensive process divided into defining the steps which a company adopts to engage an audience. The list of stages comprises the following needs of advertisers, agency selection, advertising planning, media planning, creative development, production, execution and outcome analysis (The Big Book of Marketing 2010). The process of providing advertising is not linear in practice.

4.2 Needs of Advertisers

Advertiser, i.e., a company that intends to advertise its product, sets business goals. Which, in turn, determines the advertising process. Before transferring the case to an advertising agency, a company defines the required goals within the organization, in the internal planning process. Some companies already have their own internal advertising agency, i.e., there is no need to contact an outside agency. Overall, the standards of marketing goals are to increase sales, reach a larger target audience, enhance the information of potential customers about products and build brand awareness. An important aspect is a clear understanding of the set goals on both sides (Suttle 2017).

4.3 Selection of Agency and its Type

Performance of marketing goals is the responsibility of the assigned team. The involvement of the CEO in setting advertising strategies and goals depends on the corporate size. Within more developed and large companies, this role is played by the marketing director and managers. As the author indicated earlier, there are companies with their own resources for advertising. In spite of the above, external advertising agencies are in strong demand in

various organizations without in-house capabilities (Ritson & Elliot 1999). There are three main types of advertising agencies:

- A full-service agency that provides complex linking capabilities.
- General agencies that offer general advertising opportunities and services.
- Specialized agencies, which build a plan based on the predefined needs of the advertiser.

4.4 Advertising Planning

Advertising planning is the sequence of steps that are taken to establish an advertising company (Monash University Dictionary). Planning of advertising is the most time-consuming stage. Comprising analysis, development, segmentation, evaluation and selection.

4.5 Advertisement Planning Research

Before the launch of the advertising process itself, the process of setting the company's objectives is underway. Tasks are defined by the advertising agency, based on the client's wishes. The analysis of marketing goals and the size of the target market coverage is performed. The analysis consists in determining the main goal of the client and available resources. What exactly a company is looking for through advertising. Therefore, the agency defines and measures the average expected results.

The following step is a research of the target audience. Marketing research helps to identify the needs of segments, the appropriate approach and competitive ability. Defining the target audience allows to review the characteristics it contains. The effectiveness of advertising depends on a competent and clear analysis of the target audience. Company and advertising agencies should monitor the successful target identification (Gustafsson 2006).

4.6 Selection of Strategy

The key to efficiency is a competent strategy. Both sides, the advertising agency and the contracting authority, are responsible for developing a creative strategy. Strength and flexibility of strategy consists in the number of disciplines involved. The principle "the more, the better" applies in such a work. The advertising plan consists of types of advertising, types of messages and involvement of different strategies. Considering the topic of types of advertising, it should be noted that this aspect includes institutional and case-based marketing, product/brand (Durzman 2011).

- Institutional marketing is advertising that is responsible for the entire product industry. Associated mindset in such advertising is not tied to one brand.
- Cause Marketing is the advertising of an idea behind a brand.
- The product/brand is responsible for advertising the brand itself and increases its recognition. Such advertising is aimed at attracting and convincing the audience that they need only the product of this brand.

Advertising carries a message that comes to the target audience and somehow has an impact. The development of such a message has several types:

- An incentive announcement which provides a rational or emotional push to buy products.
- An information announcement which provides the target audience with the necessary knowledge.
- Announcement A Reminder which consists of a short and fast information message.

Implementation of additional strategies ensures sustainability. Types of additional strategies:

- One-time advertising for the implementation of a new product. This type of advertising will not improve brand recognition.
- B2B Push and B2C Pull. First, used in the initial stages of product promotion and stimulation of wholesale distributors. Second, it is targeted at consumers, individuals who urge consumption.
- Comparative advertising opposes the company's product to the customer's product. This type is used to highlight the superior qualities of the company's products.
- Build a reputation. This strategy involves in advertising a third party who has consumer confidence. Most often these are celebrities from different industries (The Big Book of Marketing 2010).

4.7 Brand Planning

Brand planning is one of the stages of advertising formation. Brand is what the consumer will get. The company, forming a brand, establishes an example of experience that the buyer takes over the product. Basically, the audience is looking for the experience that, in their opinion, will bring them to a particular desired goal. The experience gained from the brand

reflects the consumer's attitude towards the product and the company as a whole. The main role in customer loyalty is played by the association of the consumer with the service or product they are purchasing. The aforementioned forms the recognizability and brand image. Brand is the main asset of the company. In case a brand possesses high loyalty and recognizability, a company acquires a profit and high competitiveness. Advertising is a tool for determining and increasing recognition and involvement. Advertising communication with the target audience depends on delusional planning. An effective outcome is a positive impact on the brand image as a whole. Positive impact is expressed in the presence and growth of marketing communications. There are three main factors that shape brand planning: Insights, communication platform and research (Baxter 2010).

The insight is a kind of synthesis of the obtained knowledge and the research process itself, which is a tool for forming the consumer attitude towards the brand. The process consists in sorting information and segmentation on an effective and ineffective data. The insight provides an opportunity to make forecasts. Brand planning is a combination of knowledge and experience to improve or create concepts. Thus, the ratio of the consumer to the brand is generated.

The main idea that serves as a basis for building relationships between the consumer and the brand is the communication venue, the so-called platform. The platform covers such aspects as the predicted attitude towards the brand and also serves as a guide for promotional activities. Planning of time management of implementation and brand formation is an essential component (Camillieri 2018).

4.8 Budget Resources

Each company shall provide funding for product advertising. To assess the resources that can be spent, the budget is set either locally or externally. The budget must be consistent with the supply chain, distributors and general standards of the industry in which the products are traded (The Big Book of Marketing 2010). There are several methods to determine the budget:

- Percentage of sales are used to determine the amount, budget, available to cover advertising. It is determined as a percentage of total sales revenue.
- An objective method or method of need. The method is determined by the number of marketing tasks and the method by which these tasks will be solved. The main factor is the cost of completing the given tasks.

- Competitor analysis. The essence of the method consists in comparative analysis of budgets which are spent by a competitive company.
- The method of free funds is in circulation of such number of resources which the company allows in the opinion of the management.

4.9 Media planning

Acquiring the time or place with the greatest audience coverage at a favorable price is the goal of media buying. Buying media is inherently a competition. The cost of the media is determined by the number of expected audiences, the cost of the selected segment and the reputation of the selected channel. The main aspects of media selection are the availability analysis for the desired audience. There are various media purchases. Broadcast time and print space are available for purchase. Payment is also made in two ways: long and short term. Long-term payment is the allocation of funds for three quarters or more of the desired time. Short-term payments allow financial flexibility but lead to higher expenses (Bennett 2010).

4.10 Creative Development

Forming a convincing message that will find a response among the audience and is a creative process. The process defines visual images and language that will motivate the audience to buy products (Gusstafsson 2006). The copywriter and visualists are responsible for this activity. The creative process is the formation of the idea and format of the message. The key factor is the way the message is delivered. The idea can be delivered by certain individuals who have gained the trust of the audience. This method is called a testimonial. It is essential that the decision is coordinated with the profile audience and their expectations and needs.

4.11 Production

Advertising is a unique product containing many elements. Advertising agencies use different approaches to achieve efficiency. Advertising is a projection of information content. The production process of which must be approved. Scenario and storyboard are a multilevel process. Which requires the expenditure of many resources: Creative, Time and Budget. Content must meet the diversity of the target audience (Gustafsson 2006).

Advertising agency structures the stages of the advertising process. the initial stage of the agency appoints a production manager - producer. The producer is responsible for the schedule, budget and creative component. Afterwards, the cost of the process is estimated

(Bennett, 2010). The cost estimate includes production, casting, music, color correction, taxes and so on. Pre-production is the next step. Once production contracts have been signed, this process is launched. Pre-production is an analysis of the terrain and time for taking pictures. Actual shootings are the penultimate step in the process. The last step is Postproduction. Checking the footage and approving it.

- Execution. After the stage of completion and coordination of production, the material filmed or printed goes on the air. Printed or banner advertisement is published at the place of broadcast. Advertising agency makes an announcement in the online space.
- Outcome analysis. Marketing analysis of the result is carried out to evaluate the advertising company. The analysis is based on the amount of return on investment, audience response and media level. The conducted research is an auxiliary tool for development of the next advertising company (Durmaz 2011).

5 Empirical Research

Content of this chapter provides data about research methodology. Especially, focus is narrowed to research design, sampling and data analysis. Nevertheless, data analysis and its collection will be done and explained. This chapter contains number of main goals:

- Explanation of LGBTQ+;
- Explore the H&M's vision and relations towards LGBTQ+ and its advertising;
- Describe segmentation process of the company;
- Define the company's approach for Target Marketing referring to the phenomenon;
- Observe and define Advertising method of H&M towards LGBTQ+
- Determine the reason of company's advertising to LGBTQ+ in chosen way.

The following chapter is divided into 2 parts. The first part serves as a description and analysis of the company's attitude towards the LGBT community, the segmentation process and targeted H&M marketing to achieve the LGBT segment. The second part is an analysis of how a case company advertises for the LGBT community, and what are the reasons behind the global trend of visibility and endorsement of such minority by large numbers of companies.

5.1 LGBTQ+

The LGBTQ+ community was formerly defined in society as a "gay community". This title did not present the entire spectrum of community members and later renamed it "gay and lesbian society", which still showed a limitation of diversity of people. Until recently, the society began to use a wider variant of the name "LGBT", this abbreviation is still used by the majority, although on the principle of diversity and equality, it is more ethical to supplement the name "Plus". Over time, only four letters that supposedly reflect diversity have restricted communities because their members have never ended up with lesbians, gays, bisexuals and transgender people. The addition of letters and a "Plus" sign to the acronym is intended to demonstrate the different identities that are associated with sexual orientation and gender identity. Adding a "Plus" sign is a resembling tool for demonstrating the full range of diversity that exists within the LGBTQ+ The LGBTQ+ spectrum is quite wide. Society and companies must take into account the meaning of words for society, as they have great value (Cherry 2020).

An acronym is a way of recognizing people's differences and a tool to improve the visibility of a community. Visibility is important for LGBTQ+ members because they feel accepted in society and thus improve their mental health and quality of life. Companies and the media industry, in turn, must improve and maintain the visibility of LGBTQ+ people, because in the past, when there was no visibility. Today, the visibility of LGBTQ+ people on television, advertising companies, Internet resources and print media has increased dramatically, resulting in the highest results ever (GLAAD 2019). This community is most at risk of developing mental disorders due to discrimination in society and at government levels. Despite this, the growth of tolerance in society is increasing every year and the full recognition and normalization is getting closer.

LGBTQ+ is an acronym which has transcription:

- L – Lesbian;
- G – Gay;
- B – Bisexual;
- T – Transgender;
- Q – Queer or Questioning;
- + (plus) is the rest of gender identities and orientations which are included in the full version “LGBTTTQQIIAA”.

5.2 Vision of the company towards LGBTQ+ community

H&M was established over seventy years ago, in 1947. Since its inception, the company has been based on its philosophy: affordable fashion and the democratization of opportunities. Over the years, the company had to adapt to the global social and environmental challenges. H&M clearly states that the main spectrum of their existence are people and their interests influence the company's business decisions. H&M business is built on fair and equal treatment of people, support and agreement in the rights and freedoms of consumers (H&M Group 2019). The vision of the company focuses on an environmentally friendly existence and at the same time being an equal and fair company. H&M is driven by the company's values, inclusiveness is the most important factor for a competent existence and operations. Inclusion is also maintained with each segment with which the company is engaged, including the LGBT community. The company evaluates its activity as an all-embracing object of different viewpoints, which allows the organization to remain trustworthy

and relevant. The company follows the principle of diversity and is committed to supporting and working to promote inclusion. H&M promotes equality and diversity especially in:

- Diversity within the company. H&M provides equal opportunities to any potential or existing employee, regardless of gender, ethnicity and sexual orientation.
- Advertising diversity. A large amount of resources is spent on promoting diversity and increasing the visibility of minorities, especially LGBT people, through various capsule collections, advertising campaigns and support for specialized funds.
- Inclusivity. H&M is involved in a variety of international and local movements that aim to promote the integration and acceptance of people in society.

H&M is part of the H&M Group. The company released its first collection to support the LGBTQ+ community in May 2018. The company's policy was to devote 10 percent of its sales to the charitable cause, or more precisely the United Nations Free & Equal campaign, which has been fighting for many years for the equation and acceptance of LGBTQ+ rights on an international level. According to the head of men's design department Andreas Loewenstern, H&M believes and fights for the benefit of universal right to love whoever they want. The main message of the Pride collection is publicity and celebration of the company's belief in equal love (WWD 2018). Ever since the company's inception, its core value has been equality, diversity and inclusion.

Launching the second collection in support of sexual minorities, the company announced that the Unified Nations Free & Equal Campaign will receive 10 percent of every sale of any item in the collection. The company shows its attitude toward LGBTQ+ people through its support for the foundation, which specializes in equality and visibility of LGBTQ+ people, through a message embedded in each item from the collection. According to the company, the collection presents diversity, self-confidence, equality and a unique personality for everyone. Based on the fact that this is a Swedish company, their main goal is accessibility.

The company is concerned about social communication and the impact it retains, therefore trying to develop goals for the future as thoroughly as possible. By 2025, H&M plans to implement a more comprehensive diversity and inclusion strategy. Thus, H&M is fully supporting the LGBTQ+ community.

5.3 Segmentation Process

H&M primarily uses demographic segmentation, i.e. it focuses on lifestyle (Orientation, values, etc.), social status, wealth and age of potential customers. H&M clients use clothing and fashion in general to express their position in a certain life cycle. Since the company

operates in a global marketplace, it covers many demographic groups. Consequently, H&M takes a different approach to each of the groups to reach the consumer. Each demographic group has different desires and needs. The social and economic status of a demographics group are crucial aspects in the segmentation process, since each level of a person's position in a society has its own list of recommendations and preconceptions about what a member of a society with a certain status should look like. A certain status also implies the level of stores and brands of clothing, which is recommended for consumer appeal. That is why the company has several lines of clothing, from a relatively expensive line of clothing using expensive materials with the participation of a supplier with a higher status, to an absolutely affordable line of clothing that can accommodate, for example, a non-working student (Delirium 2017).

The second type which the company uses is Geographical segmentation. This type of segmentation is used by H&M to analyze and create an overall picture of customer motivations for buying. Geographical segmentation has several positive features, it is flexible and easy to use, i.e. less resources are spent on analysis. However, this study only focuses on the first and main type of segmentation - Demographic. H&M operates and distributes around the world, encompassing many religions, lifestyles and cultures.

The demographic segmentation used by the company is exploited to achieve each client through characteristically similar qualities and traits. Since Demographic segmentation covers aspects such as lifestyle and etc., it also includes social and economic factors such as age, family characteristics, ethnicity, gender and sexual orientation. The main segments that the company focuses on are the working middle class, lower middle class and students. The company is most focused on women between 15 and 30 years of age, who are at the beginning of their careers. However, since H&M is committed to upholding human rights and diversity, the company has for several years now been actively targeting consumers who are part of the LGBTQ+ community, especially during Pride Time (H&M Group 2019).

5.4 Target Marketing Approach

Marketing for a certain targeting is focusing marketing resources on certain consumer groups. The needs and requirements of this consumer segment corresponds to the range of services and offers provided by the company. The result of high-quality targeted marketing is an increase in sales and resources of the company. For the most part, H&M follows an undifferentiated marketing strategy, i.e. it directs their focus on the entire target market. Thus, H&M focuses on the whole target market. In other words, it focuses on the general consumer market rather than the market segment. Such type of strategy is used to achieve the maximum number of attracted clients. Objectively to consider that the company's main

client variable is young people who are looking for fashion trends at an affordable price. However, in the case of the LGBTQ+ community, the company had to resort to Differentiated Marketing Strategy, i.e. to concentrate on one segment. The modern Business that H&M leads is a symbiosis of two strategies. The company still concentrates on the common target market, but also focuses on one specific segment - the LGBTQ+ community. In order to reach this segment, the company produces capsule collections during the Pride, which is dedicated to the LGBTQ+ community. The clothing line is full of iridescent symbols and inspiring slogans to honor the diversity and equality of people. Furthermore, to fully achieve the LGBTQ+ segment, the company collaborates with charities that fear for LGBTQ+ rights and are involved in global movements in favor of minorities. Thus, attracting LGBTQ+ consumers, as this segment is more inclined to turn to a company that shows tolerance and full support in the direction of diversity and acceptance of people (H&M Group 2019).

The target market of the company is young people. The target market in which the company operates is based on young consumers who use shopping as part of everyday life. The H&M consumer base follows fashion trends and turns to the brand that provides fashion trends at an affordable price. As mentioned earlier, the company's goal is to provide affordable fashion for everyone. The level of consumer engagement is very high, despite the fact that consumer loyalty is not at a high level (SIMCON 2015).

6 H&M Advertising to LGBTQ

To ensure the effectiveness of message delivery, the company produces an advertising division. Target advertising is focusing on potential or existing client bases. This advertising builds the brand and identity of the company. Advertising focus is important for maximum attraction of the client base, which, in turn, is more suitable for the image and business of the company, as it will bring more profit. This chapter is based on the knowledge of the company and its advertising processes and values regarding LGBTQ+ people, as well as a review of the history, behavioral trend and essence of the LGBTQ+ community (Odell).

6.1 Advertising process

Each company that is going to start directing its marketing resources and advertising should start with small steps. H&M started its way to orient advertising to the LGBTQ+ community with a small introduction of the image of LGBTQ+ couples in product presentation. The company began with the use of "Gay Window" technique, i.e., put a couple of same-sex individuals in a single frame without highlighting their sexual identity. The "advertising couple" did not reveal vivid signs of attention to each other, but the LGBTQ+ community could see that actors were playing a loving couple. Such a move began to build a brand image for the audience. H&M showed that the company was at the beginning of its journey to directly express support for the LGBTQ+ community. This "safe move" allowed the company to analyze audience feedback in order to be able to further invest more marketing resources to express and increase the visibility of minorities (Shnider & Auten 2018).

H&M conducted analysis after the introduction of small-scale expressions in support of LGBTQ+ people to make sure that the company will not lose turnover and client base. As a result of the review of responses and mentions on social networks, the company identified a trend of strong audience support and began spending more resources on LGBTQ+-focused advertising. Such decision made sense to promote the company's brand, since H&M follows the principle of the possibility to involve available public fashion in their lives from the very foundation. The company has repeatedly stated that all their marketing activities are aimed at equality of people (H&M Group 2019).

Further, in 2016 the company released its first advertisement with a vivid message in support of LGBTQ+. A bold step was taken to demonstrate H&M's position in favor of diversity and inclusion. In anticipation of the launch of the #LadyLike 2016 autumn collection, H&M has released its first direct message ad for LGBTQ+ consumers. The commercial will present models such as 72-year-old Lauren Hatto, Advoa Aboa, CEO of Design-Army Puma Lefebureau and Gillian Hervey, music duo Lion Babe and transgender actress Hari Nef.

The clip ends with a shot of kissing girls under water. The cast and production of the video fully justify the company's position towards LGBTQ+ (Cooper 2016).

The company's marketers have a thorough understanding of the nuances that can help promote LGBTQ+ advertising. Being a global company, experts align advertising with cultural norms and legislation regarding minorities. For example, in Russia, the scene with a kiss was cut out of this advertising, as there is a ban on "LGBTQ+ Propaganda" on the legislative level. In Russia operates an age limit of 18 years, but as the advertising was launched on television, the company had to cut the clip. From the marketing point of view, the main aspect is the inclusion of LGBTQ+ people in product advertising, exactly what H&M did by including a transgender actress. Since the large audience of the company is young people, the response to the commercial was positive. The company considered such a move as a direct support of diversity, thus the company attracted supporters in the form of LGBTQ+ community.

A competent advertising company depends on considering small details that have a strong impact on the outcome. Forming the impression and attitude of the audience to brand advertising leads either to the success of the collection or to failure. Following inclusive marketing leads to positive social growth and the attraction of more consumers, thus increasing visibility and loyalty to the brand. Advertising is a tool for directly demonstrating the company's values in inclusive marketing. Consumers, especially those who are members of the LGBTQ+ community, prefer to approach companies whose values are similar to their clients. Gender and sexual identity inclusion are part of the H&M process because the customer must feel that the company sees and feels their needs. The customer must see the connection between their life and the company's principles. While developing an advertising company, it is important that the vast majority of the audience within reach feel empowered, seen and heard (Forbes 2018).

H&M follows some principles in its advertising campaigns:

- Advertising location. The company's marketers carefully analyze the place where the advertisement is published. It is necessary to take into account such factors as the country and its laws, social situation, audience characteristics and whether the location is suitable for the segment to which the advertisement is oriented.
- Cast in advertising. The people that a company chooses to represent its products should fit the characteristics that describe the diversity of LGBTQ+ people. Models, actors and influencers are judged by the gender and sexual identity, ethnicity and values they convey.

- Appealing to people in advertising. Words of communication should be as neutral and general as possible in order to avoid hurting the feelings of the audience and not to specify to whom the advertising message is addressed. For example, "they".
- Zero tolerance. The principle of this policy is to work on removing any homophobic and transphobic statements of the company team, even in personal social networks (H&M Group 2019).

6.2 Reasons Behind Advertising to LGBTQ+

The topic of engaging the LGBTQ+ community in advertising is a sensitive subject. Over the years, advertising companies have not included members of minorities in the process and final product. Despite this, eventually, companies began to develop strategies to engage LGBTQ+ people in advertising. H&M, like other large corporations, invested their resources in marketing promotion and culture itself in order to be able to admit LGBTQ+ members to their team and cover the consumer segment that makes up the LGBTQ+ community. Commercial activity still invests and spends its resources to increase the visibility of LGBTQ+ people, thereby promoting society towards the normalization of minorities. Business has a lot to do with politics, but government activity with regard to LGBTQ+ people is not developed everywhere. The overwhelming number of companies comment on political verbiage against the LGBTQ+ community in today's open Internet world, where all information is in the public domain and where everyone can leave their opinions. Such debates, between organizations and policy makers, can lead to great change. However, as mentioned earlier, all these actions take place in times of open access to information and the Internet, and social networks in particular allow ordinary people to express their opinions and support. This is why companies are at less risk than before (Clements & Miles 2018). Current or potential consumers can support the company and their products, despite the political position, only because the views of the company and the average consumer coincide. If a company does NOT support the rights of the LGBTQ+ community, it causes a huge resonance in the Internet space and the organization risks losing a large customer base. Since the modern world is fighting for equality and diversity, for the visibility and acceptance of people regardless of their identity and preferences (Shortall 2019).

In order to understand the situation more clearly, the geographic location, for further information, is focused on the United States. The majority of the labor force in America is the Millennium generation, thus, their opinions and views have a strong influence on the development of strategic marketing in terms of consumer, personnel and brand image. The overwhelming majority of young people believe that even small businesses are obliged to accept

and serve the customers of the LGBTQ+ community, as well as this opinion is supported by more than half of the elderly, to be exact, 53 percent. The country's Millennium opinion has an impact on the economic component. This may include, for example, attracting corporate investment to a particular state. Many companies refuse to conduct their operations in areas where the LGBTQ+ community is struggling. At the moment, H&M is not one of these companies. The capsule collections in support of LGBTQ+ people produced by H&M during the Pride are mostly produced in countries where the LGBTQ+ community has almost no rights and protection, such as India. LGBTQ+ community support gives critical competitive edge (Shnider & Auten 2018).

Involvement of the LGBTQ+ community in the focus of the company has a positive impact on the economic component of the company. This is confirmed by the multiplicity of companies, including H&M, that collaborate with different coalitions to outperform in terms of size and resources. A notable example of the lack of cooperation and recognition of LGBTQ+ people are North Carolina, which enacted the Bathroom Act in 2016. The essence of this law was to restrict transgender people from accessing public bathrooms. The law was passed in one day. As a result, the state treasury lost \$630 million due to the cancellation of large public events and the formation of coalitions against the decree. The law was repealed one year later in 2017. North Carolina suffered huge losses due to massive layoffs of employees, loss of suppliers and investors and a critical decline in tourist flow (Shortall 2019). Such an outcome awaits any company that will accept restrictions on the LGBTQ+ community, especially global corporations like H&M.

The global buying power of the LGBTQ+ community by 2015 was 3.7 trillion dollars, which makes it one of the largest and most valuable world economies. This represents the main reason why H&M works and focuses on the above segment. According to statistics, the vast majority of LGBTQ+ consumers tend to be loyal to the brand, even at a high price, and also attract new consumers, thus the company has a high chance to acquire a business partner (Forbes 2018).

Advertising that is thematically linked and represents the LGBTQ+ community contributes to greater brand awareness and high product recognition. Brand recognition is growing as a larger number of the audience learns the brand through thematic advertising, rather than the one targeted at the middle segment of consumers. Forbes conducted an analysis and discovered that the vast majority of the audience (66%) perceive the whole brand and company as progressive and sustainable if their advertising represents the LGBTQ+ community. Moreover, advertising targeting minorities is described as more positive, i.e. has a greater impact on audience engagement (Harvard Business Review 2019). Being inclusive is one

of the most important values of H&M. Audiences that have reached the advertising message in one form or another, which represents the LGBTQ+ community, consider this brand inclusive, it is exactly how the company positions itself. Advertising and feedback from H&M confirm this. As mentioned earlier, thematic advertising in favor of LGBTQ+ attracts more consumers and thus the percentage of brand recommendations is growing. A larger number of reached audience will purchase brand products, if they are used because of thematic advertising. Focusing on the LGBTQ+ segment enhances financial security and helps to cover the company's large needs.

As Sean Howell the CEO of LGBTQ+ Foundation says: "This is what the research shows for two important elements. Buyer intent was 40% higher and willingness to recommend was 66% higher."

7 Conclusion

The main purpose of this work is to show how important advertising for the LGBTQ+ community is for the existence and development of the company. To present the full picture, the empirical study was based on an international H&M company. To support the research, the theory was based on segmentation, target marketing and the advertising process itself. H&M positions itself as a company following the principles of inclusion and diversity, thus providing fashion for all and showing its customer base in advertising. Like each company, H&M has started with the gradual steps from the introduction of a transgender model into the cast to the development of a capsule Pride collection.

To achieve a complete analysis, the author studied the company's annual reports, interviews with H&M department chiefs, and articles from respected publications that related to the company's activities towards the LGBTQ+ community. Various information portals and historical works were studied. The empirical chapter was mostly based on the symbiosis of all the data obtained. The author studied the company's advertising concept and its values, then investigated how positively the orientation towards the LGBTQ+ segment can have a positive impact; thus, the final result was achieved.

Throughout a very long time, the LGBTQ+ community has been a "lower class", the community has been severely restricted in its rights, and their opinions have never been taken into account. LGBTQ+ community members were considered mentally ill and were taken to specialized places of arrival and treated for their "disease". The community experienced wild oppression and rejection in society, and they were repudiated and avoided. The church rejected such people and called them the product of vice. Minority members were imprisoned for what was then believed to be their "wrong" love. Transgender people were considered clowns and baked in a circus; such events were called 'Freak Show'; visitors would come and mock at them. Companies could not afford to involve and focus their products and advertising on the LGBTQ+ community since the church had a strong influence on social and state life, even if the church was separated from the government.

Time and education made it possible for companies to understand the full power of the LGBTQ+ community. Step by step, companies approached the goal of normalizing advertising to LGBTQ+ people. Let it stand from imperceptible secret signs, to vivid expression and demonstration of LGBTQ+ couples and diversity of human identification. The LGBTQ+ community is a driver of the economy and has the greatest purchasing power and ability, thus, it is a favorable and profitable segment for companies. With the development and publication of more educational literature on LGBTQ+ and especially the designation by psychiatrists and doctors that this phenomenon is not an illness, society has embarked on

the path of acceptance. This journey lasts to this day, with an increasing number of people supporting community rights and the growth of companies that openly declare their support and consider LGBTQ+ as their target segments, exponentially growing.

Modern companies are under close scrutiny of society. The reputation of a company will be ruined in a moment if a company expresses a homophobic or transphobic opinion. Internet communication is the main tool for building brand reputation, the consumer can always and everywhere leave his opinion about the company and also evaluate any corporate activity. Advertising companies produced by organizations are thoroughly discussed in social networks, and every frame of advertising is analyzed. Companies that do not support LGBTQ+ rights will not become international thriving companies, as this will eliminate or restrict the choice of suppliers, critically reduce the flow of consumers and destroy the reputation and brand value.

H&M is a global company and distributor and bears great responsibility for its statements and advertising companies. The company's specialists carry out a thorough analysis of the LGBTQ+ segment, its sensitive parties and also thoroughly verify the message that is transacted in advertising. Advertising for LGBTQ+ people are a sign of inclusiveness and diversity. Actors and their actions play an important role in the final outcome, and the cast should showcase the wide range of people who identify with the LGBTQ+ community. The company's collaboration with various foundations that work in support of the LGBTQ+ community is also an important factor. Since H&M operates in the global marketplace, the company cannot avoid global conflicts, thus, H&M expresses its opinion when the rights of people, both the LGBTQ+ community and the rest, are infringed. The process of advertising is multi-structured, and each level needs a competent and thorough check, because there is always a risk of being misunderstood in society, thus risking the brand.

The main question of the research was the following:

- How companies are advertising to LGBTQ+?

The Company conducts a thorough analysis in favor of the LGBTQ+ community, looking at the community's long-term and short-term trends and the values and principles it adheres to. The Company further elaborates a marketing and advertising strategy on how exactly the advertising message will be achieved in a specified segment. Specialists select an acting team that fully meets the expectations and needs of the LGBTQ+ community. The next step is to set up a script and storyboard for the advertisement, and after that marketers conduct research to choose the location of the advertisement and harmonize the material with the legislation and the way of life in a certain country. Displaying diversity and inclusiveness is the most

important aspect of a broadcast message. After the advertisement is released, the analysis of the audience response, social media reactions, magazine articles and the increase in consumer flow is carried out.

In order to understand why companies focus on the LGBTQ+ audience and what advantages this will bring to the company, the following sub-question was put forward and studied:

- Why companies are advertising to LGBTQ+?

The LGBT community has the highest purchasing power and is more inclined to be loyal to the brand. The flow of consumers is increasing, as the LGBTQ+ community is not only loyal to the brand that meets their values, but also more developed in the submission of recommendations. A company that focuses on the needs of LGBTQ+ people is more competitive and is established in the top of the global market. Brand recognition and value is growing, hence its reputation. The result of such advertising is an increase in company resources and brand awareness.

For future research, it would be worthwhile to investigate further advertising and positioning dynamics for the LGBTQ+ community. What is the extent to which this segment can develop in the future and what are the possible chances to provide companies? Such research could serve as a basis for various companies to build a long-term plan for LGBTQ+ orientation.

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